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C O N F I D E N T I A L SECTION 01 OF 03 ROME 001494

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SUBJECT: VELTRONI: LIFELINE FOR LEFT, BUT MIGHT SINK PRODI

REF: A. ROME 1324

- [1](#)B. ROME DAILY REPORT (28 JUNE 2007)
- [1](#)C. ROME DAILY REPORT (6 JULY 2007)
- [1](#)D. ROME 0877

ROME 00001494 001.2 OF 003

Classified By: CDA Anna M. Borg for reasons 1.4 (b) and (d).

SUMMARY

[1](#)1. (C/NF) Rome Mayor Walter Veltroni's candidacy and near coronation as leader of the soon-to-be Democratic Party (PD) establishes him as an alternative pole of leadership to PM Prodi within the center left. Veltroni, who successfully presents himself as a political outsider despite a lifetime at the center of politics, told the Ambassador he does not want to destabilize the Prodi government but that he sees parliamentary elections in 2009, or as soon as 2008. If PM Prodi once had to worry about his radical left and centrists like MoJ Mastella bringing down his government, with Veltroni on the scene the core parties forming his coalition are also now looking beyond him. END SUMMARY.

WITH THE FUTURE DEMOCRATIC PARTY LOOKING IMPERILED

[1](#)2. (C/NF) The two largest parties comprising the reformist component of the center-left coalition, the Democrats of the Left (DS) and the Democracy is Liberty-the Daisy Party (Daisy), agreed in April to dissolve and form a new Democratic Party (PD) (REF A). They subsequently agreed to hold a constituent assembly on October 14 to elect/select the Party Secretary and resolve the many policy differences between the two parties. With the Prodi government stumbling badly at every opportunity (REF B) and persistent internal squabbling over the future structure, leadership and policies of the yet-unborn PD, center-left politicians were becoming increasingly pessimistic that a resurgent former PM Berlusconi could threaten not only the Prodi government but the viability of the future PD.

VELTRONI WAS DELIVERED AS THE PARTY'S SAVIOR

13. (SBU) Rome Mayor Walter Veltroni, a former DS Party Secretary, has long been considered a likely center-left

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candidate for the premiership, and speculation that he would run for the PD leadership in October coincided with the announcement the PD would be formed. By mid-June, Veltroni had received the public blessings of DS President D'Alema and Daisy President Rutelli, and Veltroni formally announced his candidacy on June 27 (REF C). Recalling the image of his political idol, Robert Kennedy, Veltroni was spun as the savior of the center left.

VELTRONI TALKS OF TURNING THE PAGE

14. (C/NF) Announcing his candidacy, Veltroni recognized the achievements of the Prodi government, but spoke of the need to turn the page, isolate the radical left and attract swing voters. (Note: Veltroni admitted to the Ambassador in a meeting July 3 that marginalizing the far left could cost him as much as ten percent of the electorate, but that it was necessary in order to implement reforms and that he hoped to attract swing voters to compensate for the loss. End Note.)

15. (U) Veltroni announced four main goals: (1) addressing the increasingly problematic challenges of climate change; (2) developing a new compact among the generations to tackle outstanding social unbalances with an emphasis on poverty, long-term care for the elderly, social mobility (along the U.S. model), flexible postponement of the retirement age, tax reductions, improving universities for a knowledge-based society and a containment of fiscal spending; (3) addressing "precarita," or the instability and frustration that Italy's youth face in the labor market which prevents many of them from establishing a family; and (4) improving personal security in large cities. He confirmed these priorities at his July 3 meeting with the Ambassador. Veltroni only once mentioned foreign policy in his 90-minute speech, saying he is against war.

16. (C/NF) Poloff met July 5 with Matteo Rebasani, Director of International Relations for the City of Rome. Rebasani said Veltroni is pro-U.S, has close ties with Rome's Jewish community and would favor increased "solidarity with Africa," and improved global health. Rebasani further described Veltroni as a multilateralist and pro-EU. Rebasani said

ROME 00001494 002.2 OF 003

Veltroni does not yet have a foreign policy team (or really any kind of national policy team) and noted that as the Mayor of Rome he has been able to avoid directly commenting on many of the foreign policy challenges of the past six years. Rebasani said any foreign/domestic policy team would have to take into account existing party positions.

DARIO FRANCESCHINI ON THE TICKET

17. (C/NF) Daisy Party member and former Christian Democrat Dario Franceschini will be Veltroni's number two, as a result of a selection process that Veltroni likened to a U.S.-style electoral ticket. Veltroni told the Ambassador he had selected Franceschini for party balance (Veltroni is from the DS and Franceschini is from the Daisy) and because

Franceschini is from the North (Veltroni is from Rome). A Franceschini assistant told Poloff July 2 that Veltroni would remain as Mayor of Rome for the foreseeable future as he was reelected only one year ago. In contrast, Franceschini would likely step down as Ulivo Group Leader in the Chamber of Deputies and take over day-to-day management of the PD. Rebasani confirmed this probable division of labor on July 5.

VELTRONI ON THE VELTRONI EFFECT

¶18. (C/NF) The Ambassador hosted Veltroni for lunch at Villa Taverna on July 3 and asked Veltroni how he plans to coordinate with the Prodi government. Stating that his relations with the Prodi government will be his most difficult challenge, Veltroni said "Prodi is weak," and that he does not want to "upset the stability" of the government. Veltroni predicted the Prodi government would last until 2009 and that elections would likely be held in the spring of 2009 but said it "could be as early as 2008." Veltroni continued that Prodi "is not liked" by Italians and added that if elections were held today, "Berlusconi would clean up."

¶19. (C/NF) The press has speculated that U/S Enrico Letta, Development Minister Pier Luigi Bersani, and others are upset with the apparent selection from on high of Veltroni as the future PD Party Secretary and might challenge him in party primaries. Veltroni brushed off any concern, telling the Ambassador he was certain he would be 'elected' at the October 14 assembly. Rebasani also said he doubted there would be any serious challenge to Veltroni's leadership but admitted that others might soon announce their candidacy.

PUNDITS ON THE VELTRONI EFFECT

¶10. (C/NF) Prodi's government continues to stumble, with pension reform proving particularly difficult (REF D), and other scandals periodically resurfacing. As Veltroni put it, Prodi is weak, and no political analyst is predicting he will get stronger. Veltroni's announcement that he would run for PD Party Secretary has sparked muted optimism in many center-left politicians (but not about the Prodi government) and expressions of concern from some on the center right who concede Veltroni would be a strong opponent.

¶11. (C/NF) Veltroni has a long history in center-left politics but after five years off the national scene as Rome's Mayor, he successfully sells himself as a political outsider and fresh face. A former member of the defunct Italian Communist Party (PCI), Veltroni recently announced he was never really a communist to relatively few expressions of disbelief. Veltroni is widely viewed as media savvy; he brought a major film festival to Rome and cleaned up Rome's once dirty city center. Despite the fact that Romans complain that he has done nothing to improve Rome's crumbling infrastructure outside the historic center, Veltroni easily won last year's election with sixty percent of the vote.

¶12. (C/NF) Politicians and analysts from both the left and right say Veltroni presents a solid opponent for the center right whenever Italy next holds parliamentary elections. They are split as to whether Veltroni strengthens or weakens Prodi in the short run.

¶13. (C/NF) A minority says that Veltroni does not want to see the Prodi government fall in the near future. They say it would be catastrophic for the future PD to be created precisely when the Prodi government falls. As a result, they say Veltroni and current DS/Daisy leaders will want to keep the moribund Prodi government on life support at least through the difficult budget battles of the fall.

ROME 00001494 003.2 OF 003

¶14. (C/NF) Most analysts predict Veltroni's leadership role will quickly eclipse Prodi's ability to manage the increasingly complicated center-left political balancing act. More importantly, the future of the center left and its politicians will depend more on Veltroni's prospects than the fate of Prodi's current government. Some say that Veltroni, and his new party, will want to take advantage of Veltroni's popularity and relatively fresh image to take on a center right led by the 71-year-old Berlusconi as soon as possible.

COMMENT

¶15. (C/NF) There is no doubt that Rome Mayor Walter Veltroni's entrance on the national scene has revitalized the center left and that his presence will increasingly challenge Prodi's leadership. It is less certain what impact Veltroni will have on the moribund Prodi government's longevity. Some say Veltroni will want elections as soon as possible in order to capitalize on his current popularity. But he told the Ambassador he will need time in order to face the resurgent former PM Berlusconi on the right terms. Until now, PM Prodi's main internal challenge has been the radical left and centrists like MoJ Mastella. With the rise of Veltroni, however, the mainline parties of his center-left coalition are also looking beyond him to a new political alignment better able to confront the center-right. END COMMENT.

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